

# Labour Research

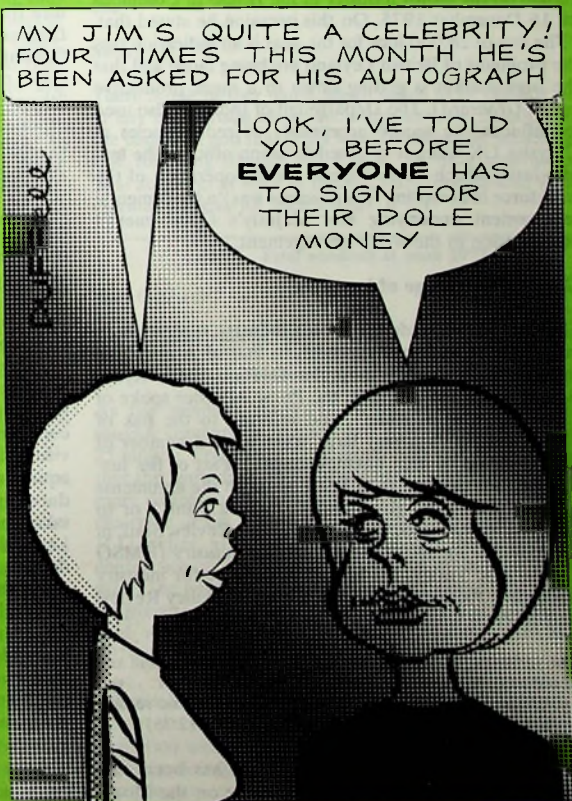
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MY JIM'S QUITE A CELEBRITY!  
FOUR TIMES THIS MONTH HE'S  
BEEN ASKED FOR HIS AUTOGRAPH

LOOK, I'VE TOLD  
YOU BEFORE,  
**EVERYONE** HAS  
TO SIGN FOR  
THEIR DOLE  
MONEY



# Cars:

## *following the wrong signs*

Last year around 50,000 jobs were lost in the motor industry. This decline of 9.5 per cent was almost double the rate for manufacturing industry as a whole. British Leyland, Britain's largest motor manufacturer, led the field, cutting employment by 28,000 in the course of 1975 and at Vauxhall Motors employment fell from 33,100 in December 1974 to 27,500 in December 1975. The Ford Motor Company, which is to introduce the Bobcat later this year, has seen a smaller fall in employment; hourly paid workers were down from 52,900 in September 1974 to 51,500 in December 1975. Chrysler UK on the other hand which is at present getting rid of 8,000 workers as part of the government scheme, had by November 1975 already cut the number of its employees to 25,200, compared with an average of 31,000 in 1974.

This heavy loss of jobs has been seen as necessary by the government as the Industry Secretary confirmed in the debate on the motor industry in the House of Commons on 16 December 1975. On this occasion he stated that, "The loss of 28,000 jobs for the year is an indication that the problems of British Leyland are being faced and that the organisation is getting down to a more productive basis" (*Hansard*). The Department of Industry also used its influence to secure acceptance of redundancies at Chrysler UK when it released to union officials the text of a letter which made it clear that co-operation of the workforce in accepting redundancies was "a fundamental requirement underlying Her Majesty's Government's participation in the whole arrangement."

### **Government change of heart**

This attitude towards the motor industry represents in many ways a different approach to that of April 1975, when, in announcing the implementation of the Ryder Report on British Leyland, the Prime Minister spoke of "a million jobs at stake", and referred to the risk of "redundancies on a very large scale, a good number of them in areas of high unemployment". Part of the justification for the change of heart has been the arguments put forward by the government's "Think Tank", or to give it its formal name the Central Policy Review Staff, in its study *The Future of the British Car Industry* (HMSO £2.50). Eric Varley, the Secretary of State for industry made clear the importance of the Central Policy Review Staff (CPRS) when he stated in the Commons:

"The reduction in capacity (at Chrysler UK) is 25 per cent and the reduction in manning might be as high as 35 per cent... this is generally in line with the predictions, forecasts and recommendations on that (CPRS) report" (*Hansard* 16.12.75)

The CPRS report restates much which has been said before, notably by the Select Committee on the Motor

Vehicle Industry which published its report on 6 August 1975 (Fourteenth Report from the Expenditure Committee: HMSO £1.80)

In particular it, like the Select Committee, takes a very pessimistic view of the future size of the car industry in Britain. Its conclusion is that "if the industry is to become viable there is no alternative but to cut capacity by at least 400,000 units." As the CPRS has not taken account of the arguments in favour of a general policy of import controls on cars and an expansion of the domestic economy, which provide an alternative to contraction (see *Labour Research* October 1975), this attitude is not surprising.

### **Opposite view**

It is, however, the section in the CPRS report on productivity in the British car industry which is the real departure from past analysis. Both the Ryder report (*British Leyland: the next decade* HMSO 75p) and the Select Committee report identified lack of investment as the major cause of low productivity. The Ryder report stated "the record of under-investment is the reason for the low productivity of BL's workforce compared with say Fiat or Volkswagen." The Select Committee believed that "until investment substantially increases the capital stock, productivity in the British motor industry will not be able to equal productivity abroad." In contrast the CPRS report takes a completely opposite view when it claims that "inadequate capital investment is only a minor cause of low productivity."

The evidence which the CPRS produces to justify this startling conclusion is deceptively simple. It uses manufacturers' figures to compare the average time taken to produce identical items, either whole cars or components, using identical capital equipment in British and continental plants. The report states that the CPRS team visited British and continental plants to ensure that the equipment was comparable. On this basis the report produces figures which show for example that on average it takes more than twice as long to assemble the British Leyland Mini 1000 in Longbridge near Birmingham as it does to assemble the same car in Seneffe in Belgium. Using this and other similar comparisons the report concludes that "with the same power at his elbow and doing the same job as the British worker, a continental car assembly worker normally produces twice as much as his British counterpart." As this view is combined with references to "slower lines speeds", "reluctance to accept new methods of working and capital equipment" and "overmanning in the British car industry", it is clear that the implication of the report is that British car workers do not work as hard as their continental counterparts.



## Not so simple

Because of the way CPRS has obtained its figures they are very difficult to check and the senior stewards had only a morning to look at them, which must have been insufficient for the purpose. Nevertheless there are some items which suggest that the story may not be as simple as the CPRS suggests. In the first place the period chosen by the CPRS for the bulk of its investigations, January to May 1975, was not typical for the motor industry. For example looking at the Ford Motor company in Britain, and Ford is a significant company for the CPRS because its models are produced in both Britain and the continent, domestic sales in the first five months of 1975 were some 15 per cent down on the year before (Society of Motor Manufacturers and Traders). Ford of Germany did well in the same period; its domestic sales were up by 67 per cent on the previous year and even taking into account a fall in exports overall sales were higher than those for the same period in 1973, before the increase in oil prices (*Financial Times* 26 June 1975). The CPRS report itself admits that "when men see that their plants are under-utilised they inevitably seek to slow production and create extra work." This must have had an effect on output per worker.

Secondly, although the CPRS refers to "poor internal management" and "poor scheduling" the only statistical survey on the significance of these factors is a chart, compiled by the manufacturers, which shows that production inefficiencies including internal shortages are responsible for between 10 and 18 per cent of lost production. A joint management-union inquiry carried out in November in Cowley suggested that poor internal management was a very important cause of low production levels. The report referred to congestion in the stores area which led to a situation where materials were often dirty by the time they reached the production line, and serious problems for production because of lack of quick replacement of automatic tools and malfunctions of plant. (*Financial Times* 26 November 1975). The Bristol University Motor Industry Group also believes that the CPRS study underestimates the effect of "poor organisation, inadequate component supply, machinery breakdowns, excessive rejection rates and the general feeling of insecurity resulting from frequent changes in production targets" (*Sunday Times* 21 December 1975).

## Capital equipment

The major reason, however, why the CPRS conclusions on productivity must be looked at critically is the report's attitude towards capital equipment. The CPRS comparisons are only valid if the equipment used in Britain and the continent is in fact identical or closely comparable. Both the Ryder report and the Select Committee clearly believed that this was not the case for the industry as a whole and there are some indications that even some of the specific examples quoted are not comparisons of like with like. Thus the CPRS report claims that there is severe overmanning in plant maintenance in Britain compared with the Continent. But in view of the evidence submitted to the Select Committee on the extreme

age of the equipment in all four British manufacturers it is not surprising that more maintenance employees are needed in Britain. The CPRS report itself also admits that "managers in the three multinational firms operating in Britain generally expect that continental plants will have a lead of up to three years over British plants in introducing sophisticated new equipment to raise productivity" and it is possible to identify examples of this situation. Thus Ford of Germany introduced automatic electrostatic paint equipment in 1974, in all its major manufacturing plants. In Britain similar equipment was only introduced in Ford's Dagenham and Halewood plants in 1975. The clearest example of the failure to compare like with like seems, however, to be the assembly of the Mini 1000. Here performance at Longbridge, near Birmingham, and Seneffe, Belgium, were compared. Yet the Longbridge plant uses equipment which was introduced when the Mini was first produced in the late 1950s. Even the CPRS agrees that "the Leyland Mini is built and assembled at Longbridge in old facilities and with old equipment." In contrast the Seneffe plant is extremely modern. Around 85 per cent of the capacity there has been built since 1969. The CPRS claims that the age of capital equipment has been taken into account in the comparisons it has made but it would seem difficult to make satisfactory allowances for differences of this size.

## Safety

There is one further figure which needs to be considered in any comparison of productivity between Britain and the continent and that is the level of industrial accidents. The following figures, which give the total number of fatal accidents at work in Britain, Italy, France and West Germany, speak for themselves.

**Table A Fatal accidents at work 1973**

West Germany	4011
Italy	3527
France (Manufacturing only)	2246
UK	896

As the numbers employed in all four countries are roughly comparable, Britain and West Germany around 25 million, France and Italy around 20 million, it is clear that the workplace on the Continent is up to four times more dangerous than in Britain. A remark made by the chairman of the West Germany equivalent of the TUC, H O Vetter, gives an indication of why this is so. At a conference on "Making the workplace more human" he said "The need of the moment is to act against the growing pressure to increase performance and to get rid of the wild west practices which destroy health." (16 May 1974)

Figures for industrial accidents which do not result in death are less reliable, because of differences of definition and under reporting. However, the available statistics do suggest that West Germany and Belgian car factories are more dangerous than plants in Britain.

The figures show that even with a narrower definition of industrial accidents the West German motor companies have worse safety records than companies in Britain. Indeed the high figure for Ford in Britain may be partially a result of the high proportion of more dangerous engine and foundry work carried out by the company; the Ford Motor Company makes engines for the Genk plant in Belgium. However, Daimler Benz has an accident rate which is more than three times that of Ford.

Earlier sections of this article have shown that in its figures the CPRS is not comparing like with like. There is a need for new investment in capital machinery to improve the competitive position of the British car industry. There should however be no acceptance of conditions which increase the risk of accidents. Improved productivity should not be bought at the expense of the health and safety of workers in the car industry.

**Table B Number of industrial accidents per 10,000 employees 1974**

Vauxhall	142
Chrysler (UK)	110
Ford Motor Company	228
British Leyland Cars* (year to 31 Sept '75)	138
Ford Werke AG*	237
Daimler Benz AG*	769
Adam Opel AG*	350

\*At British Leyland Cars and all the West German companies an industrial accident is defined as an accident which results in the injured employee being absent from work for at least three days apart from the day of the accident. For the other British companies it is an absence of at least one day apart from the day of the accident.

## Safety representatives

The long-awaited document on Safety Representatives and Safety Committees, which should herald an advance the trade union movement has been demanding for ten years, was published on 16 December. It is free, and every shop stewards' committee should have a copy\*. It contains draft regulations, a draft code of practice for safety representatives (not committees) and draft guidance notes. All are open to comment which must be in by 13 March. The regulations (which the Commission hopes will be issued by 1 May) will have the force of law. Failure to comply with the code of practice will not itself be an offence but, like the Highway Code, it may be used as evidence in appropriate court cases. The guidance notes are merely advice.

There are some important legal obscurities which we deal with elsewhere (p 38). These apart, how does the document measure up to giving workers' representatives a legal standing in securing workplace health and safety?

### Safety representatives

The regulations contain the essential provisions about appointment and functions of safety representatives and the code expands these usefully but neither lays down how many representatives there should be or exactly whom they should represent. This seems sensible. The code says that employer and unions should "make full and proper use of the existing agreed industrial relations machinery" to settle how "to achieve the purposes of the Regulations".

Recognised unions will have the right to appoint safety representatives. Except in defined cases (mines and quarries, agriculture and members of Equity) they must be employees of the firm and the code says that where reasonably practicable they should have been in the same firm or in similar employment for two years. Their main statutory functions will be to represent the employees in consultations with the employer on measures to improve health and safety "and in checking the effectiveness of such measures"; making representations to the employer on health and safety matters; inspecting the workplace; consulting with the health and safety inspectors and receiving the statutory information from them under section 28(8) of the Act; and attending meetings of safety committees. Under section 28(8), it will be remembered, an inspector must tell the workers or their representatives both the facts of what he has found in his inspection and what he proposes to do about them. The Commission suggests that existing safety representatives should be reappointed so as to give them the legal status laid out in the regulations.

Safety representatives would be entitled, under the draft regulations, to make regular formal inspections of the workplace but more frequently than once in three months. The employer must be given reasonable notice in writing and must send someone to accompany the representatives. Where there has been "a substantial change in the conditions of work" or new information has been published by the Commission "relevant to the hazards of the workplace", the area concerned can be inspected even if three months have not passed. And the representatives will also have the right to inspect the scene of any accident or dangerous occurrence and "so far as necessary for the purpose of determining its cause . . . any other part of the workplace" (notifying the employer only if reasonably practicable). It is not proposed that

\*Available on written or telephone application from General Information and Public Enquiry Point, Health and Safety Executive, Baynards House, 1 Chepstow Place, Westbourne Grove, London W2 4TF.



representatives should be entitled to take any union safety experts with them on an inspection (though guidance notes suggest that employers should "respond sympathetically" to reasonable requests). There should be an entitlement. The code recognises that apart from regular or special inspections there will also be "day-to-day observation" by safety representatives. But it does seem that three months is too long between formal inspections. Monthly inspections would be much better. The employer must give the safety representatives time off with pay (broadly, average earnings) both for their statutory functions and for reasonable training. The code says that in addition to their obligation under section 2 of the Act to give all employees information necessary for their health and safety, employers should let representatives have the information they need to carry out their work including "information of a technical nature about hazards and precautions deemed necessary to eliminate or minimise them"; "the results of any measurements taken by the employer" while checking the effectiveness of his health and safety policy; and "any statistical records" on accidents, dangerous occurrences or cases of industrial disease. This last point is unnecessarily weak – the provision of such records should be mandatory under the regulations.

### Safety committees

All the regulations say is that an employer must establish a committee when two safety representatives ask for it and must consult about the composition of the committee and that it must include at least one safety representative. The regulations do not even include time off with pay for committee members (though a safety representative who attends a safety committee "in his capacity as a safety representative" in connection with any of his functions – whatever that may mean – should get paid). A recommendation for time off with pay for committee members in the guidance notes is obviously inadequate. As we said, there is no code of practice for committees and the guidance notes seem nervous about them. It is sound to say that responsibility for health and safety rests on management. But to say that:

"Although the committee may come to its own decisions as to what course of action to recommend to management, it should be the responsibility of management, not the committee, to take any executive action which might be necessary"

*without* adding anything on the duty of effective consultation suggests that employers' representatives have been heavily concerned about managerial rights. The suggested functions for committees are rather feeble too and do not include, as they surely should, identifying and working to eliminate or minimise all the hazards in the works. There is a curiously theological-sounding statement that:

"The relationship between safety representatives and the safety committee should be a flexible but intimate one but it should be fully understood that a safety representative is not appointed by the safety committee or vice versa. Neither is responsible to, or for, the other."

If the employers think that the stewards are not going to make themselves responsible for safety activities they are surely wrong. One useful point is that the guidance notes endorse site safety committees – something which building employers have normally opposed. But this should be in the regulations.

With one important exception it seems that the essential points are there as far as safety representatives are concerned (flesh will of course be put on the statutory bones by strong organisation). But the exception is important. There is nothing in either the regulations or the code of practice about the employer's duty to *do* anything about reports from the safety representatives. Indeed it is only the code, not the regulations, which says that representatives should "bring to the employer's notice in a recorded form" unsafe or unhealthy conditions or unsatisfactory welfare. The guidance notes (para 20) say that if reports from safety representatives

"are to be effective then they will need to be received and studied by the employer, or his representative, and where appropriate remedial action, agreed with the safety representatives, taken. Where remedial action is not considered appropriate or cannot be taken within a reasonable period of time, or the form of remedial action cannot be agreed, then the employer or his representative should explain the reasons."

This is a very minimal provision but the important thing is that the notes are not in any way binding. Whatever formulation is agreed on should, at least, be part of the code and preferably of the regulations.

The provisions about safety committees are much less satisfactory than those about safety representatives. It seems that both fuller regulations and a code of practice are needed here, since unions cannot play their part without committees as well as possibly isolated representatives. The long-standing and very obvious objection of many employers to talking to their workpeople about health and safety has got to be faced squarely by the authorities. There is after all a statutory duty now for every employer to *consult* safety representatives – section 2(6). This must mean that he has to say what he is going to do about their representations. The duty of reply should be prescribed for employers both in relation to representatives and to committees. One other relevant point, though we cannot deal with it here, is the importance to works safety organisation of the required employer's statement on 'policy, organisation and arrangements'. Early experience suggests that some of these statements come nowhere near meeting the Commission's very brief guidelines.

### Employers' policy statements

These statements, which are now being issued, are of great importance and seem to vary a good deal in usefulness. The LRD has already received some copies and would be glad to receive more, where available, in order to make comparisons. Write to 78 Blackfriars Road, London SE1 8HF, or phone 01-928 3649.



# Two legal queries by O H Parsons

## Mining Inspectors under section 123

The Health and Safety at Work Act, 1974, has extended the range of occupations and industries covered by safety legislation to include all workers, whether employees or self-employed. The fear has been expressed that the widening of the scope of the law might lead to a watering-down of the strict requirements of existing legislation. It was with the object of allaying these fears that section 1(2), whilst making provision for new health and safety regulations to take the place of existing acts and regulations, specifically laid down that they would be "designed to maintain or improve the standards of health, safety and welfare established by or under those enactments"; in short, there was to be no deterioration of existing health and safety statutory requirements.

It is against this background that the provisions of the draft regulations as to safety representatives and safety committees must be considered in relation to the only similar requirements in previous legislation, namely sections 116 and 123 of the Mines and Quarries Act, 1954\*.

First, there is an ambiguity as to exactly what the draft regulations propose with regard to the repeal or continuance of these Sections. There is no specific repeal, which suggests that they are to remain in force. On the other hand there are provisions proposed which are inconsistent with their remaining in full force. For example, the regulations cover all employees (obviously including miners and quarrymen) in their scope - regulation 3(1); if miners and quarrymen were to be excluded as still covered by the Mines and Quarries Act, this should have been made clear. Again, by regulation 5(4) "an inspection carried out under Section 123 of the Mines and Quarries Act, 1954, shall count as an inspection under this regulation"; this suggests that that Section remains unrepealed but, at the same time, it strongly suggests that it is in some manner incorporated in the new regulations and qualified or amended by them. Finally, specific provision is regarded as necessary in regulation 8 that in the case of mines and quarries the safety representatives "need not be employees of the employer concerned"; but that already appears in section 123: if that section is, in fact, deemed to continue in force unamended, this special dispensation would be unnecessary.

The question as to whether the relevant sections of the Mines and Quarries Act are to remain in full unamended

force, or whether they will continue in some form of double-harness with the new regulations, or whether they are deemed to be repealed and replaced by the new regulations is, therefore, very uncertain.

It is essential that this uncertainty and ambiguity be resolved, and resolved moreover by the clearest possible assertion that these sections are to remain in full unamended force. The reason for this is that, if it is not done, the requirement of non-deterioration laid down in section 1(2) of the Health and Safety at Work Act would be seriously breached. This arises because the requirements as to safety representatives laid down in the draft regulations are substantially less stringent than those laid down in section 123 of the Mines and Quarries Act in several respects.

Thus section 123 requires inspections whereas the draft regulations only require inspections once in three months. Section 123 requires the workmen's inspectors to make a full written report on completion of each inspection which must be posted up in a conspicuous position at the mine and within seven days the manager must enter in the report book his comments and any action he proposes to take; but these matters are omitted from the draft regulations and covered only in the draft Guidance Notes which do not have the force of law. Section 123 gives inspectors the right to be accompanied by their own technical advisors but the draft regulations contain no such right, although this right is specifically preserved for mines and quarries by draft regulation 8 (see above). The draft regulations require "reasonable notice in writing" whereas section 123 inspections require no notice either in writing or otherwise; spot checks are permitted under section 123 but not under the draft regulations. Repeat inspections to check what action has been taken on previous recommendations are permitted in mines, but under the draft regulations a repeat inspection is only permitted "where there has been a substantial change in the conditions of work". A section 123 inspector must have had five years practical experience in mining; the draft regulations require the safety representative to have had only two years experience in "the employment concerned". This last point demonstrates the dangerous implications of the proposals; it is not suggested that five years, two years or five minutes is right or wrong for factories - it is, like the other provisions, better than the nothing which they had before: what is clear, however, is that section 123 provides that five years is the right period for mines and, on the face of it, contrary to section 1(2) this period is being reduced to two years.

It is not the object of this article to criticise the general

\*Section 116 covers people nominated by the union to be given official notice of accidents causing death or serious injury. Section 123 sets out the powers and duties of workmen's inspectors.

provisions of the draft regulations as it affects the industries who had previously not had the right to statutory workmen's inspection. Nor does it seek to argue a case for the NUM, who are more than capable of doing this for themselves. The object is to raise the critical question of the credibility of section 1(2) of the Health and Safety at Work Act, which is cast in some doubt by the ambiguity of the proposed regulations.

### Legal liability on safety representatives

Considerable apprehension has been expressed in legal circles, a fear not shared by the LRD, as to the possible vulnerability of a safety representative either at criminal law by virtue of section 7 of the Health and Safety at Work Act or otherwise, or at civil law with a liability to pay damages – if he negligently and carelessly gives bad advice to the employer and the employer acts on such advice and, as a result, someone is injured. Whatever the merits of this argument, it is clearly reasonable that the regulations should deal with the problem; the fear, be it real or illusory, once expressed would be calculated to discourage volunteers to the job and should be firmly dispelled. This the draft sets out to do in paragraph 4(1) by providing:

"No function given to a safety representative by this paragraph shall be construed as imposing any duty on him."

Bearing in mind the people for whom these regulations are intended and by whom they will be used, this is a most unsatisfactory formulation.

First, as a matter of non-legal commonsense, it is not right to tell a man accepting the very responsible job of safety representative that his job does not impose any duty on him. Clearly he has a moral responsibility and duty to do his job as conscientiously and as well as possible in the interests of himself and his fellow workers and the draft regulation, in so far as it suggests the contrary, is most unhappily phrased.

Even from a strictly legalistic point of view, the draft misses the point. What we are concerned with is not whether the safety representative owes anyone a legal duty to take care but with exonerating him from liability if he fails to carry out that duty. This result is not secured by merely denying the existence of his duty; what is required is specific protection against his being penalised for its breach.

From the point of view of possible criminal proceedings the proposed regulation is entirely ineffective as the commission of a crime is in no way related to any duty as such. This is recognised by paragraph 11 of the draft Guidance Notes which reads:

"In addition, the Commission have directed that the Health and Safety Executive shall not institute criminal proceedings against any safety representative for any act or omission by him in respect of the performance of the functions assigned to him by the Regulations. Similar arrangements have been made with the other enforcing authorities."

If the proposed regulation 4(1) had been effectively drafted, such a direction would not have been necessary at all. Manifestly a clear legally-binding provision in the regulations is far more satisfactory than informal assurances and directives in Guidance Notes. The regulation needs revision and the following is suggested:

"A safety representative shall not be subject to criminal liability or civil liability, either in tort or contract or otherwise, nor be made the subject of any prosecution or other legal action in respect of the performance by him of the powers and duties assigned to him by these regulations."

Similar protection should be accorded to trade union representatives on safety committees set up under these regulations.

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## Social contrast

Got £1¼ million to spare? How about investing in a nice country residence. Fairview at Beaconsfield in Buckinghamshire is set in a 100 acres and has numerous rooms, including seven bedrooms, five bathrooms, massage room, valet's room, maid's room etc. It is being sold by a Cuban emigré who was a pre-Castro diplomat, who bought the house for £300,000 only three years ago. Other amenities include indoor and outdoor swimming pools, a cinema, tennis courts and stables, plus two bungalows and two cottages for the staff. For an extra million the contents are also available, including a "communications centre" with teleprinter machines and a private switchboard, as well as chandeliers, antiques and marble bathrooms. (*Sunday Times* 14.12.75)

A 77 year old woman died of cold after the money in her gas meter ran out. A verdict of death by misadventure was recorded. (*South London Press* 30.12.75)

On hearing the news of the government's decision to reprieve Chrysler, American advertising boss Joe Wren set out with £750 to have a night on the town. During his return home he suddenly decided to buy the London taxi he was travelling in and handed £650 in cash to the driver. The taxi is now on its way to Wren's Virginia summer residence (*Daily Express* 20.12.75)

Amongst prices paid for bottles of claret at Christies recently was £600 for a jeroboam (equals six bottles) of Mouton-Rothschild '29, £620 per six magnums of Latour '29, £520 for a dozen Petrus '47 and £320 for an Imperiale (equals eight bottles) of Cos-d'Estournel. (*Financial Times* 5.12.75). Apart from laying down clarets, 1929 was, of course, also the year of the Wall Street crash and the start of the great depression.



# Community Land Act

The Community Land Act received Royal Assent on 12 November 1975. It has two major objectives:\*

- a) to take development land into public ownership and to enable the community to control its development in accordance with social needs and priorities;
- b) to restore to the community the increase in value of land arising from its efforts.

This article explains how its use is heavily constrained by the current economic crisis, and what possibilities now exist for achieving these objectives.

## The changed context for public ownership of land

During the boom in property speculation in the late 1960s and early 1970s, it was assumed that the country's population was growing rapidly (before the 1971 Population Census was published showing this to be a fallacy). Town centres were torn down and replaced by high rise flats, office blocks and shopping precincts, and the growing population was to be accommodated in new and expanded towns. Interest rates were relatively low and inflation levels moderate, making it almost costless to borrow money for these large capital projects. The profits made from speculation in land values and from development were staggering. Financial institutions which had previously invested in industry were channeling their money into the property sector and private individuals became millionaires over night. By the height of the boom both Labour and Tory parties were agreed that the level of profits was intolerable and embarrassing.

In 1974, just before the October elections, the Labour government brought out a White Paper on land.\*\* This spelled out the injustice of the private profits being made on increasing land values which the public sector, through its own activities, had helped to create. The White Paper promised new powers over land to enable the community to reap some of these profits and to give the planners a tool with which to implement their structure and local plans more positively. In other words, the foundation stones of the Community Land Act were the assumptions that large-scale urban development would continue, that a growing importance would be placed on the physical location of major land uses, and that land values would continue to rise.

However, the passage of time from the White Paper to the Community Land Bill and finally to the Community Land Act saw a drop in the population growth, a stagna-

tion of the economy, a growing rate of inflation, and rising interest rates on borrowing. The focus of town planning shifted towards problems of rehabilitation, and public participation. The property market collapsed. But the Parliamentary debates leading to the Act did not reflect the changed economic climate. MPs and Peers wrangled endlessly over who should recoup the unearned increments from land, and how closely the public ownership of land should be tied to planning considerations and be open to public scrutiny. The value of the Act will be limited at a time when there are few resources to develop publicly and little pressure for development.

The Community Land Act provides the power for land to be brought into public ownership by the various 'land authorities'. These are all the local authorities in England and Scotland, the National Park Planning Boards, the new town development corporations, and the Land Authority for Wales to be set up under the Act and whose members will be appointed by the Secretary of State for Wales. After a certain date in the future, at least 10 years away, all land required for development will be acquired publicly before any building can take place and will be acquired net of Development Land Tax (DLT) charged at 100 per cent of the development value. In the transitional period between 6 April 1976 (The First Appointed Day) and a future date (The Second Appointed Day), a procedure will be operated whereby the land is gradually brought into public ownership and when the DLT on land sales is raised from 80-100 per cent.

The scheme was slow-moving in conception from the start, and an already intricate procedure was further complicated by the concessions won by interest groups and the opposition party during its passage through Parliament; so many exceptions and exemptions were added that there is little land left which an authority can buy. Added to this, the scheme is voluntary in its early stages. The land authorities need only have "a general duty to have regard to the desirability of bringing development land into public ownership". Inevitably, enthusiasm for the scheme will vary widely throughout the country, no doubt affected by the attacks of the media. But there is much to be gained from the Act in the longer term. There is time to plan, to consider the environment, to assess priorities.

## The detailed provisions of the Act

The most significant term in the Act is *relevant development*. Land for relevant development is the only kind which can be acquired by a land authority. To explain this term more clearly, 'development' (as defined by the

\*DoE circular 121/75

\*\*Cmd 5730 See *Labour Research* November 1974.



recent Town and Country Planning Acts) means the carrying out of building, engineering, mining or other operations in, on, over or under land, or the making of any material change in the use of any land or other buildings. Relevant development is any development other than 'exempt' or 'excepted' development as defined in the Community Land Act.

*Exempt development* is entirely outside the powers of the Act, and comprises development for which planning permission is granted by a General Development Order (ie small changes in land use, defined in the recent Town and Country Planning Acts), agricultural and forestry operations, and mineral workings.

*Excepted development* is within the powers of the Act but land for this may only be acquired in special circumstances. It includes:

- a) Development where a planning permission was in force on White Paper Day (12 September 1974) or was granted afterwards on an appeal where the original decision was made on or before that date.
- b) Development carried out on land which was in the freehold ownership of a builder, or residential or industrial developer on White Paper Day.
- c) Development consisting exclusively of the erection of an industrial building where a material interest in the land was owned by an industrial undertaker on White Paper Day.
- d) Minor development projects such as small industrial or commercial developments, and the building of a single house or small-scale housing developments.
- e) Special categories of development such as certain changes of use in land, rebuilding and enlargements.

Besides these exceptions and exemptions, the land acquisition scheme only applies to land needed in the next 10 years, and does not apply to development on the operational land of statutory undertakers, to local authority-owned land, or to land where the authority has lost its powers of compulsory purchase. In the latter case, the authority cannot purchase land for five years once a decision has been made not to buy land for which planning permission was applied between White Paper Day and the First Appointed Day, or after the First Appointed Day. Also, the development of land owned by churches and other charities on White Paper Day will not be affected by the Act's provisions for 11 years or until the Second Appointed Day (whichever is the longer period).

On the First Appointed Day (6 April 1976) the land authorities will be given the power to acquire, by agreement or compulsorily, land which, in their opinion, is suitable for relevant development, either by themselves or by others. This land must conform to the planning framework for the area, and will normally be identified by the private sector as suitable for development through planning applications. Later, the power to acquire becomes a duty. This duty to acquire will come into

operation in any particular area(s) by a duty order made by the Secretary of State, and the date on which such an order comes into force is called the 'relevant date'. As authorities are considered able to discharge their new responsibilities, building up staff and expertise over time, these orders will be imposed until the whole country is covered.

To be clear about the division of responsibilities between authorities and the exact nature of their work, each authority has been required to prepare a Land Acquisition and Management Scheme by 31 December 1975. This will be available for public inspection. Then, to obtain information about disposals of development land, authorities may declare 'disposal notification areas' where any person who proposes to sell land must notify the authority to give it a chance to bring that piece of land into public ownership. If there are any objections to the authority's decision to buy a piece of land, a public inquiry may be held at the discretion of the Secretary of State; it is not held as a matter of right.

Finally, mention should be made of the financial provisions for land acquisition. The Development Land Tax Bill is to be introduced in the present Parliamentary session (a White Paper has so far been prepared, Cmnd 6195). The new tax is fundamental to the workings of the Community Land scheme and will have as great an impact as the CLA itself. Briefly, it is a tax on the difference between a base value related to the current use value of land and the disposal price reflecting the expectation of development. DLT will become payable to land authorities on disposals made between the First and Second Appointed Days. However, in a land market distorted by a partial public ownership scheme and a tax rate gradually rising from 80-100 per cent, land valuations will be extremely difficult to assess.

Finance for land buying will at first come from central government. Once an authority has paid back its loan, any profits will be distributed as follows: 40 per cent to central government, 30 per cent distributed amongst local authorities according to need, 30 per cent to the land authority. A Community Land Account will be prepared annually and submitted for scrutiny to central government.

### Opportunities for the future

What are the prospects for achieving the aims of the CLA? It is clear that there are many weaknesses to be considered. In the present economic climate, and with so much land excepted and exempted from development, little land will be available for authorities to buy over the next five years. Also, tightening controls over all public spending will affect what can be done, particularly in central areas where current use values will be high, and pressure from central government to make quick profits on land transactions will not exactly encourage the most socially beneficial developments. In any case, the hope of large fortunes accruing to the land authorities can be forgotten because the land market will be sluggish, and



land authorities will only receive 30 per cent of profits from land disposals. Added to these complications, the effects of the Act will only begin to bite when duty orders are imposed, and the gradual build-up of the scheme will cause uncertainty everywhere.

These problems are serious, but it must not be forgotten that the long term effects of the Act are radical. In order to benefit from its provisions, community groups, trades councils, local councillors, etc, will find it necessary to:

- become involved, through public participation exercises, in structure and local plans for their area which

create the framework for land acquisition.

- put pressure on local government to tool up for their new work, to begin acquiring land quickly, and to withstand pressures from developers for terms which are against the public's interest.

- monitor the acquisition programme of the land authority and put pressure on central government to bring in duty orders as soon as possible.

- put pressure on both local and central government to make finance available, by a variety of means, for land acquisition and development, wherever it is needed.

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## New Earnings Survey

The Department of Employment's yearly New Earnings Survey is a wide-ranging inquiry into the earnings and working hours of employees in Great Britain. Concentrating on the pay week which included 16 April 1975, the survey is based on returns from employers and covers average weekly and hourly earnings; the proportion made up by overtime, pbr, shift and other premium payments; and the number of hours worked per week, with separate information on overtime hours worked. The full details of the survey have not yet been published, but the main results are now available.

The survey shows that average weekly earnings for men increased from £47.70 in April 1974 to £60.80 in April 1975, a rise of £13.10 a week. Women's earnings in the same period rose by £11.10, from £26.30 to £37.40 a week. The differential between manual and non-manual pay remained at about the same level as in 1974, with male and female manual workers continuing to earn on average roughly 20 per cent less than their white collar counterparts. In the case of men, manual earnings were £55.70 a week, as compared to £68.40 for non-manual. Weekly earnings for women were £32.10 manual, and £39.60 non-manual.

### Women's pay

There were definite signs that women's pay was increasing proportionately faster than men's to meet the government's target date for equal pay of 29 December 1975. While men's earnings in all manual occupations were 29.2 per cent up on April 1974, women's earnings rose by 35.6 per cent. In non-manual occupations too, men's average earnings rose less quickly than women's - 27.5 per cent as against 38.8 per cent. But even with this relative improvement a huge disparity remained. The figures showed that in manual occupations as a whole women were still averaging £23.60 a week less than men, and in non-manual occupations £28.80 less. And despite the fact that female average earnings stood at £37.40 a week, over a third of all women workers still earned less than £30 a week at the time of the New Earnings Survey.

In retail distribution, for example, women manual workers were earning on average £27.30 a week, and in the catering industry £24.80.

### Hours at work

The survey points to a general, but slight, reduction in the number of hours being worked in industry. Men in full-time employment in Britain in 1975 spent an average of 43 hours a week at work, of which 4 hours were overtime. In April 1974, the average was 43.7 hours, including 4.7 hours overtime. Women worked about six hours less than men, averaging 37.4 hours in April 1975 compared to 37.8 in the previous year. Their proportion of overtime was also smaller, and at 0.5 hours a week was virtually unchanged from 1974. There is still a large difference between the number of hours worked by manual and non-manual workers. In the case of men, manual employees put in four times as much overtime as non-manual, and worked nearly seven hours longer every week. For women the difference was not as striking, with the low level of overtime helping to reduce the gap to less than three hours a week. Although there was a slight drop in the average number of hours worked overall, the survey showed that thousands of employees are working exceptionally long hours. Over a quarter of all male manual workers, for instance, were working more than 48 hours a week at the time of the survey.

### Regional variations

Earnings vary a good deal from region to region in Britain. For men and women, earnings tended to be higher in the South East, the North and the North West, and lowest in East Anglia. In some cases the disparities were considerable. Average male earnings in Greater London, at £69.70 a week, were well over the average for the country as a whole (£60.80), and more than £13 a week higher than the average for East Anglia. Women were affected in much the same way by regional differences. The proportion of female manual workers earning less than £30 a week was less than 30 per cent in Greater



**Table A Average gross weekly earnings and hours worked (including overtime) of full time workers at April 1975**

	£	hours
<b>Men (over 21)</b>		
manual	55.70	45.5
non-manual	68.40	38.7
all	60.80	43.0
<b>Women (over 18)</b>		
manual	32.10	39.4
non-manual	39.60	36.6
all	37.40	37.4

London, but as high as 48 per cent in the South West and over 50 per cent in East Anglia.

### Earnings table

The Earnings Table (Table B) is compiled from the New Earnings Survey analysis of weekly earnings of full-time men (over 21) and women (over 18) by occupation. The list is not intended to be comprehensive, and it should be pointed out: a) that earnings stated refer only to April 1975 and take no account of subsequent pay increases; b) that the Department of Employment omit many categories from their survey. For example, the NES supplies no earnings figures by occupation for employees in print, for railworkers, doctors, dentists, or the armed forces. The top average earnings figure given in the survey is £91.90 a week – £4,779 a year – for administrative and executive office servants. It can therefore be safely assumed that several occupations, with pay well in excess of this amount, have not been included in the survey. Senior company executives and top management in the private and public sectors are groups that would have clearly topped the Earnings Table had a survey of their earnings been included.

It is possible to make a very approximate updating of the New Earnings Survey findings to give an idea of current earnings levels. The official index of average earnings in April 1975 stood at 215.4, and by November 1975 (the latest available figure) had risen to 243.5 – an increase of 13.0 per cent. Applying this percentage increase to the figures supplied by the NES, average male earnings in November 1975 would have risen to £68.70, female earnings to £42.26. It should be stressed that for two main reasons this method of updating the earnings figures can only be approximate. Firstly, because the index is compiled with no distinction made between manual and non-manual, male and female, adult and juvenile employees and it is strictly inaccurate to apply it to, say, adult male earnings. Secondly, the percentage rise in the index conceals the fact that women's earnings are now rising faster than men's. For industries and services as a whole, the rise in men's earnings between April 1974 and April 1975 was 27.4 per cent. The rise in women's earnings in the same period was 38.9 per cent. This difference must be taken into account in updating figures from the survey.

**Table B Average weekly earnings at April 1975 by occupation**

Men	£
Civil servants (admin & executive)	91.90
Coal-mining: deputies	88.50
Teachers (further education)	87.10
Marketing/sales managers	84.90
Electrical engineers (professional)	82.40
Supervisors: police, fire, security services etc	76.20
Coalminers: face-trained	74.50
Secondary teachers	73.50
Accountants	72.90
Systems analysts, computer programmers	72.90
Production/works managers, works foremen	72.80
Primary teachers	70.90
Site managers, clerks of works, general foremen	70.90
Engineering machining foremen	66.50
Electricians – installation and maintenance (plants etc)	64.90
Railways – drivers, motormen	64.30
Policemen (below sergeant)	64.10
Bus & coach drivers	63.70
Platers & metal shipwrights	63.30
Welders (skilled)	63.20
Foremen – product inspection etc	63.10
Crane drivers/operators	62.80
Electricity power plant operators	60.80
Engineering technicians etc	60.70
Toolmakers, tool fitters etc	60.50
Bus conductors	60.10
Draughtsmen – engineering	59.90
Heavy goods drivers	59.30
Plumbers, pipe fitters	59.20
Chemical, gas etc plant operators	58.50
Machine tool setter-operators	58.10
Bricklayers	57.60
Laboratory technicians	56.90
Press & machine tool setters	56.70
Sheet metal workers	56.60
Coach & vehicle body builders/makers	56.60
Fork lift drivers/operators	55.10
Telephone fitters	54.50
Postmen, sorters, messengers	54.20
Finance, insurance etc clerks	53.20
Motor vehicles mechanics (skilled)	53.00
Painters & decorators	52.60
Craftsmen's mates, building labourers	49.60
Refuse collectors	49.50
Packers, bottlers, canners, fillers	49.20
General labourers	47.70
Bleachers, dyers, finishers	47.00
General clerks	45.70
Caretakers	43.80
Salesmen, shop assistants, shelf fillers	43.60
Agricultural machinery drivers/operators	42.00
General farm workers	37.40
<b>Women</b>	<b>£</b>
Secondary teachers	63.90
Nurse administrators & executives	63.60
Primary teachers	57.70
Welfare workers	45.50
Registered nurses & midwives	42.80
Finance, insurance etc clerks	37.10
Secretaries, shorthand typists	36.80
Nursing auxiliaries etc	35.40
General clerks	34.70
Telephonists	34.60
Packers, bottlers, canners, fillers	31.40
Sewing machinists (textiles)	29.10
Kitchen hands	28.20
Receptionists	27.80
Retail shop cashiers	27.40

## LABOUR MONTHLY

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# Import controls rejected

Mr Healey's pre-Christmas mini-budget, announced on 17 December was mainly notable for the decision *not* to impose import controls on manufactured goods on a scale which would have made a real impact on unemployment. The restraints imposed by quotas or to be secured by agreement were limited to textile imports from Spain and Portugal and textile and footwear imports from Eastern Europe, whereas the bulk of our manufactured imports come from the eight Common Market countries, the US and Japan (see the article in the November *Labour Research*, which examined the arguments for and against import controls).

Government policy on reflation of the economy was unchanged and was clearly stated by Mr Healey: "In present conditions there is no scope for seeking to reduce the level of unemployment by general reflation of domestic demand which is financed from the public purse." (*Hansard* 17.12.75)

In his budget speech on 15 April 1975, Mr Healey forecast that unemployment "could be touching a million, or 4 per cent, by the end of the year". But it reached a million (excluding school leavers and adult students) in September and was 1,166,000, or 5.1 per cent, in December.\*

The National Institute of Economic and Social Research, the main independent forecasting body, considers that the economy is reaching the bottom of the depression, though unemployment, which usually lags behind any change in output, will continue to rise and will level off at 1½ million around the end of the year. Forecasting into 1977 is very uncertain but the Institute foresees only "some insignificant downward movement in 1977" (*Economic Review* November 1975). The Organisation for European Cooperation and Development (which represents all the industrialised capitalist countries) is even more pessimistic, foreseeing a possible rise to almost 1½ million by the end of 1976 (*Financial Times* 18.12.75). Mr Healey commented that this was "a greater rate of increase than I believe will take place" (*Hansard* 18.12.75), but he did not give a forecast of his own. Mr Healey's Treasury advisers may be right. But at the time of the April 1975 budget the official Treasury forecast was that national output in 1975 would rise by one per cent over 1974; in the event, it fell by about two per cent. So it was over-optimistic to the extent of 3 per cent – a very large error indeed. It is reasonable to conclude, therefore, that there is a serious danger of a prolonged period of very high unemployment, stretching into 1977, unless government policy is changed.

The depressed state of the economy in 1975 reduced the demand for imports, which declined by about 6½ per cent in volume, whereas exports declined only by 3½ per cent. At the same time export prices rose more than import prices. The result was that the deficit in the current balance of payments, which had reached the huge total of £3,700 million in 1974, was halved to about £1,800 million in 1975. But the National Institute does not expect any further reduction this year. On the contrary, it forecasts an increase to about £2,500 million, because the expected slow expansion of the economy will draw in more imports (in the absence of import controls). And the prospect is for a deficit of over £2,000 million in 1977 as well. The 1975 deficit was financed by loans from the oil-producing countries and from the commercial euro-currency markets abroad. At the end of 1975, however, the British government had to apply to the International Monetary Fund for a loan of £1,000 million which will finance the deficit for the first half of 1976. For the second half, it is hoped that commercial loans will again be possible, because the expected fall in the rate of inflation will restore the confidence of foreign bankers in the UK economy (*Financial Times* 2.1.76).

No explicit conditions were attached to the IMF loan but almost certainly it would not have been granted if Britain had imposed effective import controls. The position is, therefore, that imports can only be kept down by preventing a rapid expansion of the economy. A high level of unemployment is the only alternative to import controls in the foreseeable future.

## The measures of 17 December

**Import controls** Quotas on cotton yarn from Spain and on cotton yarn and woven man-made fibre fabrics from Portugal. Agreement to be sought from Eastern European countries to restrain their exports of men's woollen suits, and from Poland, Czechoslovakia and Romania to continue their existing restraint on exports of men's leather footwear in 1976, and to extend similar restraint on women's and children's footwear.

**Hire purchase restrictions** Abolition of HP controls on carpets, furniture, central heating, caravans and boats. Relaxation for all other industries, *except for cars*.

**Steel stockbuilding** The government will provide £70 million to enable the British Steel Corporation to build up a stockpile of steel.

**Temporary job creation** Finance for Manpower Services Commission raised from £30 million to £40 million for labour-intensive projects in high unemployment areas; Temporary Employment Subsidy to include redundancies of 25 or more instead of 50; more places under Community Industry Scheme.

\*Unemployment forecasts normally exclude school leavers and adult students. The number of these who are unemployed

fluctuates greatly according to the time of year. In the second half of 1975 it ranged from 265,000 in August to 44,000 in November.



# Devolution proposals

The government's latest proposals on devolution were published in the White Paper *Our changing democracy, devolution to Scotland and Wales* in November 1975.\* This follows up the White Paper *Democracy and Devolution*, published in September 1974 as a result of the earlier Kilbrandon Commission on the Constitution.\*\* The timetable envisaged for the establishment of Scottish and Welsh elected assemblies, as outlined in the Queen's Speech at the beginning of this Parliamentary session, was that a Bill would be presented this spring followed by a wide-ranging debate. Legislation would not be enacted in this Parliamentary session, but a new Bill would be introduced at the start of the following session, with legislation being likely therefore by 1977. This delay in introducing legislation has been criticised by the Nationalists and others and has itself caused controversy. Harold Wilson, however, has called for a "Great Debate" on the whole question of devolution, similar to the discussion which took place on the Common Market (he has not called for a referendum on the subject though, a demand put by some Labour Party members, particularly in Wales). The White Paper, besides making what appear to be definite proposals, also calls for "public discussion before reaching a final decision" on a number of matters.

## The proposals

The White Paper rejects any idea of the break-up of the United Kingdom or separate self-government for Scotland and Wales. The proposals are:

"designed to strike a careful balance – in particular between the desirability of allowing the maximum local freedom and initiative and the need to safeguard the unity of the UK; and between maximising local democratic control over the allocation of expenditure on the public services and the continuing responsibility of the government for managing the economy."

Elected Assemblies are proposed for Scotland and Wales, although it is important to stress that these will be very different from each other. The **Scottish Assembly** will be legislative as well as administrative in the "devolved subjects"; the **Welsh Assembly** will not have legislative powers (Scotland has an existing separate legal system; Wales is integrated into the English legal system), and will work through committees – a system much more akin to the present local authority structure. In both cases the Secretaries of State for Scotland and Wales will play an important link role between Westminster and the Assemblies.

Apart from the distinction of legislative powers mentioned, both Assemblies will share the following features.

\*Cmnd 6348 HMSO price 95p

\*\*see *Labour Research* January 1974

On the "devolved subjects" (see below), they will control policies and spending priorities. They will be financed with a large block grant from the Exchequer, with some powers to supplement this through local taxation. The Assemblies will be single chamber with members elected on a majority vote, as in present elections. For the first election, two members would be returned from each Parliamentary constituency – giving 142 members in Scotland and 72 for Wales. The Boundary Commission will later divide Parliamentary constituencies into single-member Assembly constituencies, with a slight redistribution of seats, to give 138 seats in Scotland, 75 in Wales. The Assembly would be elected for a period of four years. Unlike the Kilbrandon proposals, the White Paper does not recommend any reduction in the number of Scottish or Welsh Members of Parliament. In addition, MPs and Lords will not be barred from Assembly membership.

The **Scottish Assembly** will have an Executive formed after each election. The Secretary of State will invite the leader of the majority party to be the Chief Executive to form this Executive. The Chief Executive will recommend to the Secretary Assistants to be appointed to the Executive; these Assistants need not be members of the Executive, nor require Assembly approval.

The **Welsh Assembly's** work will be done through standing committees set up to deal with devolved subjects, such as health, education etc, with a central co-ordinating committee (the Executive Committee) with a Chief Executive in the chair. The White Paper says that this system will not make a sharp division between a policy-making executive and an Assembly which debates policy.

## Legislation

The **Scottish Assembly** will be able to legislate on a number of subjects. The Westminster government is to remain responsible for all international relations, including the Common Market, but will take into account the views of the Scottish administration on certain matters. Westminster will hand over responsibility in the following **devolved subjects**, activities which the Assembly can change, end, or innovate.

**Local government:** Assembly to allocate rate support grant etc. Local authority structure will remain, although the Assembly is empowered to make future revisions. The voting system can only be changed by Parliament.

**Health:** Assembly to be responsible for NHS and allocation of resources. It can decide policy on private practice, abortion etc. **Social work:** care of children, elderly etc and grants to voluntary bodies will be devolved.

**Social security:** benefits etc will *not* be devolved.

**Education:** Assembly to control schools, policy, curricula etc and all education and arts *except* universities, research councils, post graduate awards etc.

**Housing:** Assembly responsible for all aspects *except* finance in the private sector (eg building society mortgages). The UK government will have reserve power to restrict rents etc.

**Planning and the environment:** all aspects of land use, water, new towns etc to be Assembly responsibility *except* community land legislation. Westminster will have the right to "call-in" any particular planning issue if the UK as a whole is affected eg defence sites.

**Roads and transport:** road planning and building, traffic rules (*except* for motorways), local transport, airports etc will be devolved, *except* for motoring offences, driving tests.

**Law:** in addition to the separate legal system already in existence, there will be devolution in private law. *But*, the White Paper talks of further study on the question of company law, industrial relations and consumer law, which it sees as needing to be consistent with UK laws. The Assembly will have responsibility for criminal law, with the right to create new offences, determine penalties and regulate treatment of offenders, including prisons, *except* for treason, terrorism, firearms, drugs and taxation and road traffic offences. The UK will still remain responsible for police and prosecution and the supreme courts.

Other items for devolution are tourism, fire service, gaming, licensing laws, public holidays etc. On broadcasting, the government is awaiting the Annan Committee report.

The UK government will be responsible for the civil service, public sector pay, and counter-inflation policy.

### Finance and the economy

The White Paper argues against the retention of North Sea oil revenue in Scotland, which it sees as separatist, incompatible with devolution, and leading to the break up of the UK. The White Paper states that:

"even if Scotland is materially better off for keeping oil . . . the government are convinced that the Scottish people are overwhelmingly opposed to destroying the Union."

It therefore envisages a block grant from the UK, and Scottish public expenditure to be settled as part of the annual UK budget. The White Paper proposes that Scotland pays UK taxes at UK rates. It also sees some power for the Assembly to levy additional taxes, although it considers the only suitable tax to be a surcharge on local authority taxation.

**The Scottish Development Agency**, which became operational on 15 December, is to retain what powers it has. However it will be acting for the Secretary of State rather than the Assembly – see below. In addition, the Highlands and Islands Development Board is to be similarly devolved. Important exclusions from devolution are the nationalised industries and relations with industry and commerce. The Assembly will have no real control in the economic sphere.

As Wales will continue to have no separate legal system, Parliament will remain the legislative body for Wales. On its devolved subjects, the Assembly will be responsible for framing and passing delegated legislation (ie anything which does not require new primary legislation, which is

the reserve of Westminster). This delegated legislation needs a resolution by the Welsh Assembly in plenary session. The UK will have reserve powers to intervene in the business of the Assembly. The Assembly will take over policy making and administration in the devolved fields, which are now the responsibility of the Welsh Office. This will require a substantial number of staff, but – as in Scotland – there will be no separate civil service.

The subjects devolved to Wales are similar to the Scottish ones, with exceptions including **education** – where the Assembly will be required to conform with government guidance on the total output of teachers – and **water supply**. On the latter, the Welsh National Water Development Authority (which includes part of England) and the Severn-Trent Regional Water Authority (which includes part of Wales) are to remain in being, both bodies being responsible to the Assembly for their Welsh operations and Parliament for their English operations.

### Secretaries of State

The Secretaries of State for Scotland and Wales will assume important new roles under the White Paper's proposals. They will keep responsibility for economic planning, industrial steering and selective regional industrial assistance. The Scottish and Welsh Development Agencies will be acting for them. The White Paper sees this as being in keeping with the concept of collective ministerial responsibility. The Scottish Secretary will remain responsible for electricity and agriculture, forestry and fisheries, and in Wales these latter functions will be transferred from the Ministry of Agriculture to the Secretary.

### Costs

The total costs involved in these proposals for devolution are estimated to be a capital outlay of £4 million with annual running costs of £22 million. In Scotland £2.3 million will be spent to house the Assembly, £10 million a year running costs and a staff of 1,000. Wales, which has been less decentralised, will have larger requirements: a possible capital outlay of £1.2 million; 600 extra staff at first rising to 1,600; and running costs beginning at £5 million building up to £12 million a year. The transfer of responsibility will have an effect on other government departments leading to a net saving.

The White Paper contains some important areas of difference with the majority report of the Kilbrandon Commission on the Constitution in 1973. The majority view then saw both the Scottish and Welsh Assemblies as being legislative; the Assemblies to be led by cabinets; the Secretaries of State no longer being needed, but the Assemblies being represented by a minister in the UK cabinet; elections by proportional representation; and a reduced number of Scottish and Welsh MPs at Westminster. The minority report of that commission had more similarities to the present proposals – it recommended regional assemblies subordinate to Westminster, and operating on a committee system similar to local authorities.



The White Paper has received a whole range of reactions. The political response has ranged from the criticisms by the Nationalists, and Liberals, that it does not go far enough, to the Tories claim that it has gone too far and will be used by the Nationalists to "wreck" the UK. Within the Labour Party there already exists the basis of the "Great Debate".

The British TUC has yet to come out with a statement on the White Paper. The Scottish TUC has however, given it a rather cool reception. It is concerned with the reserve veto powers which Westminster will have, and the new role of the Secretary of State – who it sees as a "governor-general" type figure. The STUC wants the Assembly to be responsible for the Scottish Development Agency and agriculture and fisheries. At its last congress, the STUC accepted a motion urging the Assembly to have the necessary powers to tackle the major economic and social problems facing Scotland, with the SDA accountable to it; and adequate proportion of North Sea oil revenue available to the SDA; and the power to raise taxes. The STUC has never called for a separate independent Scotland, and a motion calling for a Scottish Parliament was remitted at the last congress.

The Wales TUC also regards the ideas of separatism and federalism as dangerous and unacceptable. It is convening a special meeting to fully debate the matter, but already has expressed points of difference with the White Paper. The WTUC would like the Welsh Assembly to be legislative (with Parliament sovereign), with a cabinet

system, a separate Welsh civil service instructed by and answerable to the Assembly, and a Parliamentary Cabinet minister with special responsibility for representing Welsh interests. This minister and not the Assembly – should be responsible for certain matters, including industrial and economic development.

### The price to pay

Like the Tories, the employers are not too enthralled at the idea of devolution. Democracy after all costs money – as revealed by Douglas Hardie, chairman of the Scottish CBI:

"An elected Assembly would appear to be yet another layer of bureaucracy on top of a local government reorganisation which has already involved many companies in considerable expense." (*Glasgow Herald* 28.11.75)

The government however, feel the "costs" are necessary:

"The Scottish and Welsh Assemblies will no doubt have teething troubles, and there will be a financial price to pay. This however is well worth accepting in order to meet the clear popular demand in Scotland and Wales for bringing nearer home the democratic control of much government activity." (*Our Changing Democracy* p 60)

It is to be hoped that the "Great Debate" will indeed take place, and that there will be wide-ranging discussions on the proposals for devolution.

## Under review

**Classrooms of Resistance** compiled by Chris Searle. Writers and Readers Publishing Cooperative, 14 Talacre Road, London NW5 3PE. 168pp. Paper 85p, casebound £2.75.

Chris Searle became well known when he was dismissed from an East London School for publishing a volume of his pupils' poetry which the governors thought stressed the gloomy side of life in the East End. After a two years' struggle, and with the support of teachers, parents and many others, he was reinstated.

His latest book has raised a great deal of controversy and the wrath of educational traditionalists like Tory MP Rhodes Boyson. It again consists mainly of the imaginative writing of 11 to 13 year olds in his classes which is fascinating, but I found his introduction the most interesting of all.

He denies neglecting the three Rs, but claims that working class youngsters will master them more thoroughly if education relates to their everyday lives and helps them to understand the lives and struggles of people like themselves in this and other countries. Because of this, Chris Searle is accused of introducing politics into the classroom. It is the old story – 100 per cent support for the status quo is not regarded as politics but helping working class people to understand the status quo and their position in it, is 'politics' and, therefore, taboo.

KB

## Middlesex Polytechnic

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# The Helsinki agreements

The 'final act' of the Helsinki conference on security and cooperation in Europe is very long (30,000 words). It also contains a great number of general statements. But in spite of the attempt of the media to brush it off it is important, not only for the few hard agreements it contains but even more, perhaps, for the large number of clear commitments to further action in the main fields covered: security and peace; cooperation in economic, scientific and technological and environmental matters; and cooperation on human contacts, cultural and educational matters. The agreement was signed by every European country except Albania as well as by the USA and Canada and there are arrangements for follow-up, including a meeting of foreign ministry representatives in 1977.

A great deal will depend on well-informed pressure on national governments by people and organisations interested in particular commitments. It is fortunate therefore that Gordon Schaffer has produced an extremely useful eight-page summary of the document which covers all the main points\*, although those setting out on campaigns will need to study the full text as well.†

The declaration on principles at the beginning of the document includes a recognition of the inviolability of frontiers and a commitment to settle any disputes by peaceful means. It also says that:

"The participating States will refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs falling within the domestic jurisdiction of another participating State, regardless of their mutual relations."

Among the hard agreements is the useful one that all countries will give 21 days' notice of major military manoeuvres (ie those involving more than 25,000 troops) taking place on their territory. The countries also agree that they "will" – though on a voluntary and bilateral basis – invite observers from other countries. Among the commitments the most important no doubt, though it takes up little space is:

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"to take effective measures which by their scope and their nature constitute steps towards the ultimate achievement of general and complete disarmament under strict and effective international control."

James Callaghan has said that he would like "progress on arms reduction" to be "The major task for 1976" (*Hansard* 10.11.75).

## Economic cooperation

The document calls for trade on as broad a multilateral basis as possible and also recognises the value of bilateral trade agreements. It provides for "projects and arrangements" including joint research and development in a wide range of fields including agriculture, energy, transport technology and computer and communications technology. Of more immediate interest to this country, probably, is the section on industrial cooperation. The countries agree that "if it is in their mutual interest" this can include:

"joint production and sale, specialisation in production and sale, construction, adaptation and modernisation of industrial plants, cooperation for the setting up of complete industrial installations with a view to thus obtaining part of the resultant products. . . ."

and so on. They also "recognise the usefulness of an increased participation of small and medium sized firms in industrial cooperation projects."

There is a potentially useful section on cooperation in protecting the environment – control of air and water pollution (including the Mediterranean) possible negative effects of chemical fertilisers and pesticides etc. There is a short section on the rights of migrant workers and a long section on 'cooperation in humanitarian and other fields' – the main topic in what press reporting of the conference there was. This covers both human contacts – freer movement for people who want to visit, or join, their families, wider travel for personal or professional reasons and so on – and cooperation and exchanges in the fields of information, culture and education. This includes "encouraging among persons engaged in education and science direct contacts and communications" and a specific proposal for a 'scientific forum' to discuss interrelated problems of common interest concerning future developments of science. On this, Gordon Schaffer says, an early preparatory meeting is expected.

\**The Helsinki Agreements* British Committee for European Security and Cooperation, 27 Calton Avenue, London SE21 1SP.

†*Conference on Security and Cooperation in Europe: Final Act* Cmd 6198 HMSO 65p.



# Diaries

## Home

### October

- 2 The worst night of violence in Northern Ireland for six years results in 11 dead and 30 injured.
- 3 UVF claims responsibility for most of previous day's violence in Northern Ireland. Siege at Spaghetti House in London ends after five days with six hostages released unharmed.
- 9 Bomb at Green Park, London kills one and injures 18.
- 11 Week long army exercise, "Inside Right", involving 30,000 troops commences. Vanguard Party gives vote of confidence to leader William Craig. Thousand people demonstrate against National Front, who are holding their AGM in London.
- 14 PM H Wilson states that there have been eight burglaries involving his papers. EEC devalues "green pound" system of payment for farm prices and British food prices are expected to rise by one per cent. GLC agrees to rehouse squatters in Elgin Avenue who have put up barricades to stop their eviction.
- 15 Archbishop of Canterbury, Dr Coggan, announces start of campaign to rekindle sense of moral purpose in the nation, and talks of the "enemy at the gates."
- 16 CEEB announces the closure of 28 power stations over the next two years, affecting nearly 5,000 jobs.
- 17 M Foot tells STC to renegotiate a pay settlement which has breached the £6 limit. Three youths convicted of murder in 1972 are cleared by the court of appeal. A stableworker is to be paid £2,500 compensation by two policemen who assaulted him.
- 19 Society for Protection of Unborn Child rally 50,000 in London against abortion, whilst 1,000 delegates attend National Abortion Campaign conference to defend current abortion laws.
- 21 Thousands protest against education cuts in London demonstration organised by South

East region of TUC, and by lobbying MP's.

- 22 Four IRA members jailed for life for Guildford and Woolwich pub bombs. Commons Committee of Privileges accuse Yorkshire NUM of "serious contempt" for demanding that sponsored MPs should not speak against their union's policy.
- 23 Bomb outside home of Tory MP Hugh Fraser kills leading cancer expert.
- 24 Jim Slater resigns as head of Slater, Walker Securities in connection with the company's activities in Singapore. Chrysler announces that its Ryton assembly plant will work only eight days in November and three in December. UUUC expels William Craig.
- 25 Young Liberal president Peter Hain charged with bank robbery whilst he claims "mistaken identity".
- 28 Seven black youths acquitted on affray charges arising from police raid on Canb Club, London - the 81 day trial cost £¼ million.
- 31 Government announces £32 m new building projects to alleviate unemployment. Dr Stockwood, Bishop of Southwark, criticises Dr Coggan's appeal to the nation, and attacks the economic system for producing social chaos.

### November

- 4 Seven men killed by explosion at BSC plant in Scunthorpe. NEDC talks at Chequers end with call for support for coordinated effort by government, employers and trade unions to halt the industrial decline of Great Britain.
- 11 House of Lords again votes for clause to be inserted into the Trade Union and Labour Relations Bill invalidating "closed shop" arrangements for the press, thus stopping the Bill becoming law in the present session.
- 19 Queen's Speech promises the reintroduction of certain Bills: to promote equality of opportunity in employment between people of different religious beliefs in Northern Ireland; to bring aircraft and shipbuilding industries into public ownership; to remove remaining unsatisfactory features of 1971 Industrial Relations Act. New Bills will cover employment

safeguards for dockworkers; Scottish and Welsh Assemblies; abolition of agricultural tied cottage system; phasing out of private beds in NHS hospitals; abolition of selection in secondary education; strengthening law on racial discrimination; an independent procedure for handling complaints against the police.

- 21 Many Labour MPs boycott debate in House of Commons in a demonstration against the government intention to send Lord Shepherd as British representative to Franco's funeral in Spain.
- 26 In national demonstration to demand government action against unemployment, 20,000 people march through London to lobby their MPs.
- 27 Ross McWhirter, co-author of Guinness Book of Records and founder of anti-trade union Current Affairs Press, shot by armed men at his home in Enfield. He had earlier in the month set up a £50,000 reward fund for information leading to conviction of bombers.

## International

### October

- 1 Spain - Three policemen killed in Madrid a few hours before a mass rally supporting General Franco.
- 3 Eire - Dutch businessman Tiede Herrema kidnapped; captors demand release of three political prisoners.
- 6 EEC foreign ministers agree to break off negotiations with Spain over new trade treaty in protest at recent executions. EEC also agrees £75m aid to Portugal over next two years.
- 14 West German chancellor Schmidt says that if Britain insists on its own seat at international energy conference, it can expect no further EEC development aid for poor Commonwealth countries.
- 21 USA signs deal with USSR to sell them grain for next five years and to buy oil from them.
- 24 Iceland - national strike of women brings country to a halt. Spain - General Franco has third heart attack in three days.
- 26 USA - President Sadat arrives for state visit - first Egyptian head of state to do so.
- 30 Spain - General Franco transfers power to Prince Juan Carlos.





# Industrial notes

## National Graphical Association

The National Graphical Association, with a membership of 108,000 was re-admitted to the TUC on 17 December. The General Council's decision, as with the National Union of Bank Employees three weeks before, was taken after the NGA agreed to pay affiliation fees for the time it was outside the TUC. The NGA resigned from the TUC three years ago after registering under the 1971 Industrial Relations Act.

Joe Wade has been voted general secretary elect of the NGA to succeed John Bonfield. Voting in the ballot was—R Allen 16,296; G Jerrom 15,081; J Wade 33,500. This ballot took place before Mr Bonfield's death on 9 January.

## CPSA general secretary

William Kendall, general secretary of the Civil and Public Services Association, has been appointed secretary of the staff side of the Civil Service Whitley Council. He succeeds John Dryden, who is due to retire in June. The CPSA National Executive has appointed the union's present deputy general secretary, Kenneth Thomas, as the next general secretary pending approval by the CPSA national conference.

## FTATU general secretary

R S Shube has been elected general secretary of the Furniture, Timber and Allied Trades Union to succeed Sir Alfred Tomkins, who died in May 1975. Mr Shube is the present acting general secretary and officially takes office in September.

## Industrial Democracy Committee

The government has announced the membership of the Committee of Inquiry on Industrial Democracy. The Chairman of the Committee will be Lord Bullock, Master of St Catherine's College Oxford. The members are: Professor George Bain (director of the Industrial Relations Research Unit at Warwick University); Norman Biggs (chairman of Williams and Glyn's Bank and former Chairman of Esso); Sir Jack Callard (former chairman of ICI); Barrie Heath (chairman of GKN and a director of Pilkington Bros); Clive Jenkins (general secretary of ASTMS); Jack

Jones (general secretary of TGWU); David Lea (Head of the TUC Economic Department); John Methven (Director General of Fair Trading); Professor K W Wedderburn (Professor of Commercial Law at LSE); and Nicholas Wilson (senior partner in a City firm of solicitors). The Committee has been asked to report within 12 months so that the government can introduce legislation in the 1976-77 Parliamentary session (for the Committee's terms of references see *Labour Research* November 1975).

## 8,000 redundancies at Chrysler UK

In a statement to the House of Commons on 16 December, the Industry Secretary, Mr Varley, announced government plans for aid to Chrysler UK—a subsidiary of the American multinational company, the Chrysler Corporation. The main features of the package were:

- about 8,000 redundancies, out of a total workforce of 25,000.
- a total potential commitment of £162.5 million, to consist of £72.5m to fund losses over the next four years; £55m as a loan for capital expenditure; and a £35m medium-term loan guaranteed by London and Scottish clearing banks.
- two directors of the company to be appointed by the government.
- a planning agreement with the company.
- assembly of the Avenger model to move from Ryton to Linwood.
- investment of between £10m to £15m by the Chrysler Corporation to enable assembly of the new Alpine model at Ryton from kits imported from Chrysler's French subsidiary, Simca (in addition, a further possible company investment of £23m).

A Conservative motion to adjourn the House in protest at the government's proposals was defeated by 285 votes (Labour 273, SNP 9, Plaid Cymru 3) to 260 (Conservatives 247, Liberals 13). The Order authorising payment by the government of the £162.5m was carried in the House of Commons on 17 December by 287 to 266 votes.

In mass meetings at Linwood (18 December), Ryton (22 December) and the Stoke engines plant (23 December) Chrysler workers voted overwhelmingly against the company's refusal to negotiate on redundancies, work-sharing

and redundancy payments. A further intervention by the government, however, effectively strengthened the company's position. In a letter to Chrysler UK on 24 December, the Department of Industry threatened to abandon financial assistance if the "co-operation" of the workforce was not forthcoming. The letter stated that:

"The whole future of this operation depends on the fullest co-operation of the workforce in accepting redundancies and the movement of work between plants and in collaborating to improve productivity.

"This letter is to put it clearly on record that such co-operation is a fundamental requirement underlying Her Majesty's Government's participation in the whole arrangement to secure the future of Chrysler UK."

Mass meetings at the company's major plants between 30 December and 2 January voted to accept in principle the terms of the government's package.

## INCREASES

### Post Office

Cost of living increases received since the start of the government's pay policy are offset against the £6 limit in the agreement reached between the Post Office and the Union of Post Office Workers. Under their previous agreement, 200,000 Post Office employees received automatic rises of 1 per cent in pay for every 1 per cent the Retail Price Index rose after May last year. By December this totalled 13 per cent: 7 per cent triggered before the pay policy came into operation on 1 August, 6 per cent since. Although the Post Office conceded increases of £6 a week in the new agreement, the threshold payments since 1 August were deducted from this to conform with government policy. Thus in the case of postmen and women, for example, pay increases since the last settlement have consisted of £2.78 (triggered by price rises before 1 August) plus £2.40 (triggered between August and December); plus £3.60 'new money' (ie. £6 less the £2.40 received since 1 August). Examples of new weekly pay rates are:

	From
Postal Officers (max)	1.1.76
Postmen and women:	£58.21
Higher Grade	£52.93
Postmen and women (max)	£48.64
Telephonists	£46.19
Cleaners	£41.63



### Rubber industry

Increases in line with the government's pay policy have been agreed in two settlements affecting workers in the rubber industry. Six pound increases in minimum earnings levels were recommended by the NJIC for the Rubber Manufacturing Industry on 3 December. The present minimum earnings level for the 50,000 employees covered by the NJIC is £30 per week. The increases take effect from the date when the normal local review of wages takes place.

The second agreement affects 14,000 production workers employed by Dunlop, which left the NJIC in 1971. The Dunlop agreement reached on 27 November also set a new MEL of £36 a week (an increase of £6), pending ratification by the national negotiating committee in June. Both agreements operate pro rata for part-time workers and juveniles, and established equal pay from 29 December 1975.

### Gas industry

The Gas Corporation agreed a £6 a week pay supplement for 40,000 manual employees on 19 December. The increase is effective from 11 January. The agreement included a trial 12-month suspension of the requirement for a medical certificate if an employee is absent the day before or after a public holiday.

### Civil service

Increased weighting allowances for 168,000 London-based civil servants were announced by the Civil Service Department on 19 December, following protracted negotiations with the National Staff Side. Civil servants working in inner London will now receive a £465 a year allowance (an increase of £55), and those employed in outer London will get £275 (an increase of £15). The increases are backdated to 1 July 1975. Because the review of civil servants' London allowances was due before the current pay policy commenced, the increases will not count against the £6 limit.

### Paint manufacture

The NJIC for the Paint, Varnish and Lacquer industry on 12 December agreed £6 pay supplements to the current £30 a week basic rates. Payments for the 20,000 employees covered by the agreement commenced on 1 January.

### British Airways

£2 a week in cost of living payments received since the start of the pay policy

are deducted from the £6 a week increase agreed for 45,000 ground staff employed by British Airways. The cost of living payments were part of a threshold clause in the previous settlement. The new agreement means that British Airways workers will get £4 a week increases as from 1 January.

### University lecturers

About 36,000 academic and related staff are to get £312 a year pay increase, backdated to 1 October 1975, under an agreement reached between the Department of Education and the Association of University Teachers. With the inclusion of the new supplementary payments, annual salary scales for Lecturers (minimum) will be £3,174-£6,446; Senior Lecturers £6,234-£7,742. The scale for Professors commences at £7,897, with no increases permitted for those currently at £8,500, a year or more.

### CLAIMS

#### Coal mining

A £6 a week pay claim on behalf of 260,000 mineworkers was submitted to the Coal Board by the NUM on 9 December. The claim, for implementation at the beginning of March, is for consolidation of the £6 in basic rates. This would breach the government's pay policy, which insists that pay increases should be treated as supplements to earnings, not enhanceable through shift work, overtime etc.

#### Nurses

Unions representing 360,000 nurses have submitted a £6 a week pay claim to the Nurses and Midwives Whitley Council. Increases would become operative from 1 April. Examples of current salary ranges are: Student Nurse £1,560-£1,740; Enrolled Nurse £1,872-£2,340; Staff Nurse £2,121-£2,646; Charge Nurse/Ward Sister £2,706-£3,552.

#### Teachers

At a meeting of the teachers' panel of the Burnham Committee on 9 December teachers' unions agreed to submit a pay claim of £6 a week on behalf of their members. The claim covers about 400,000 primary and secondary teachers in England & Wales, and would operate from 1 April. The teachers' claim for increased London weighting allowances, effective from 1 April 1975, is still outstanding. 20 per cent increases are being demanded, on top of current allowances of £351 a year (Inner London); £267 (rest of GLC area); £141 ('fringe areas').

### DISPUTES

#### Hospitals

Limited industrial action continued in the two disputes affecting the Health Service. In the dispute involving junior hospital doctors, doctors' representatives met the Secretary of State for Social Services, Barbara Castle, on 9 December. On 12 December, agreement was reached on the setting up of an independent audit of the total amount available for overtime payments to the junior doctors: the issue at the centre of the dispute (see *Labour Research* December 1975 and January 1976). There was a further joint commitment to a review of the overtime system with a view to commencing doctors' overtime payments after 40 hours, instead of the 44 hours originally proposed by the Review Body on Doctors' & Dentists' Remuneration. Despite a BMA call for suspension of industrial action, the ban on non-emergency cases was not lifted until 23 December following recommendations for a return to normal working by the junior doctors' national committee.

A separate dispute, also involving limited industrial action, concerned opposition among hospital consultants to the government's plans to phase private practice out of National Health Service hospitals. On 18 December, the British Medical Association decided on a ballot of consultants to establish whether a compromise solution – apparently devised by the former BMA advisor, Lord Goodman – was acceptable. The Goodman proposals would allow 25 per cent of the country's 4,000 private beds to be phased out of the Health Service within 6 months of legislation being enacted, but would leave removal of the rest at the discretion of an independent board.

#### BSC Llanwern

The committee of inquiry into the dispute between the British Steel Corporation and the National Union of Blastfurnacemen reported on 4 December. With no specific proposals from the committee on rates of pay for work on the new high-productivity furnace at Llanwern, negotiations between the BSC and NUB continued (for details of dispute see *Labour Research* November 1975). The NUB ban on work on the new machinery was lifted when agreement was reached on 23 December. The agreed pay levels, involving increases over £6 a week, are within the pay policy because introduction of new plant justifies establishment of new pay rates.

# Statistics

	1974			1975											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Retail price index January 74 = 100	113.2	115.2	116.9	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.5	140.5	142.5	144.2	146.0
% change on year ago	+17.1	+18.3	+19.1	+19.9	+19.9	+21.2	+21.7	+25.0	+26.1	+26.3	+26.8	+26.6	+25.9	+25.2	+24.9
Basic hourly wage rate July 72 = 100	148.7	153.9	158.0	159.7	162.0	169.0	170.1	176.4	182.5	184.7	185.5	186.0	187.3	195.4	198.0
% change on year ago	+23.6	+27.2	+29.5	+29.2	+29.9	+33.6	+32.9	+33.5	+33.3	+32.0	+27.4	+27.0	+26.0	+26.9	+25.3
Average earnings January 70 = 100 (a)	191.8	200.8	208.3	206.2	209.9	212.8	215.4	217.7	221.2	231.6	234.0	237.9	239.5	243.5	
% change on year ago	+21.3	+25.4	+29.4	*	*	+27.9	+30.7	+28.4	+25.6	+27.7	+25.9	+25.8	+24.9	+21.2	
Unemployment 000s (b)	643	653	na	777	791	803	940	850	870	1088	1250	1249	1165	1169	1211
% male unemployment rate in GB	3.6	3.7	na	4.4	4.5	4.5	5.2	4.8	4.8	6.0	6.6	6.6	6.3	6.3	6.6
Real take-home pay January 1974 = 100 (c)	105	106	107	104	103	102	101	98	97	99	100	100	99	99	

(a) This covers male and female workers, manual and non-manual, weekly and monthly paid, and includes overtime payments, etc. It is seasonally adjusted.

(b) Including N Ireland. Temporarily stopped are not included in the above figures.

(c) Average male earnings after tax at constant prices (see *Labour Research* September 1975 and footnote below)

\* Affected by 3 day week

Source: Department of Employment.

## Real take-home pay

In previous months the index of real take-home pay has been based on the April 1974 New Earnings Survey figure for average earnings (see *Labour Research* September 1975, pp 182 and 183). The publication of the April 1975 New Earnings Survey makes it possible to revise the index and this has been done for the first time in the figures shown above for all months from October 1974.

Each month's figures are calculated from an estimate of male average earnings in that month. As the monthly index of earnings includes both men and women this is not completely accurate. However, there is no separate index for male earnings. In the last year women's pay has increased at a faster rate than men's pay. Thus any estimate of male earnings overstates the real position in the present situation where male and female earnings are not increasing at the same rate. This has affected the index of real take-home pay by up to 2 per cent in some months although it does not affect the trend at all. Real

earnings in November 1975 were 6.6 per cent below the level of November 1974.

## Engineering

The latest figures for engineering sales and orders show that net new orders in the third quarter of 1975 fell by 5 per cent. The fall in orders for the engineering industry has been continuing for over a year. Total orders on hand at the end of the third quarter of 1975 were 21 per cent less than at the end of the third quarter of 1974. This steady decline in order books has had some effect on sales and there was a fall of 3 per cent in total sales in the third quarter of 1975. Engineering sales in the third quarter of 1975 were 7 per cent less than in the third quarter of 1974.

Sales to the home market have been particularly hit by the UK recession. Home market sales were 8 per cent less in the third quarter of 1975 than in the corresponding period of 1974. Export sales only fell by 3 per cent in the same period.

## Investment

A new Department of Industry survey shows that manufacturing investment has fallen 12.8 per cent in 1975 and that a further fall of 6.6 per cent in 1976 is likely. The survey predicts a rise of 10-15 per cent for 1977 but this would still leave manufacturing investment below the 1974 level. Manufacturing investment has fallen from £2,087m in 1974 (at 1970 prices) to £1,820m in 1975 (at 1970 prices) and is likely to fall still further to £1,700m in 1976 (at 1970 prices).

Investment in the distributive and service industries has also fallen. In 1975 investment fell by 11.7 per cent and in 1976 a further fall of 3.5 per cent is predicted. Capital spending in the distributive and service industries has fallen from £1,959m in 1974 (at 1970 prices) to £1,730m in 1975 (at 1970 prices) and a further fall to £1,670m is expected for 1976 (at 1970 prices). In 1977 a very small upturn is predicted.